

Energy Everywhere



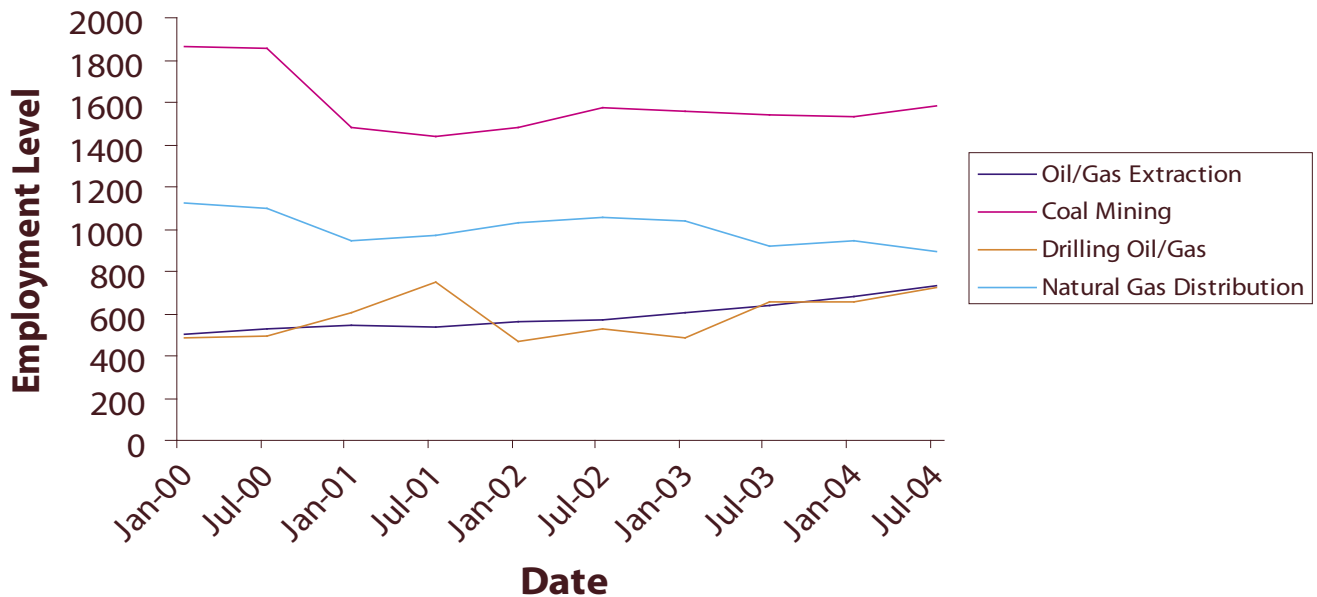
We live in an energy-dependant society. From the natural gas that heats a home to the electricity that powers street lights, energy is everywhere. So prevalent is the use of energy that we may take certain forms of it for granted, only considering the infrastructure and workers in place while waiting for the electricity to be restored after a heavy snow storm.

For those who have ever wondered how many people work to provide all the varieties of energy you use, you are not alone. This is a question facing economists interested in the role of the energy industry in the economy.

What can be agreed upon is that there is no single energy industry, but rather a collection of industries that provide energy-related goods and services. These industries cover a variety of energy-related activities such as the extracting, refining, or transportation of energy resources like coal, petroleum, or even uranium.

One way economists have attempted to group the various energy industries is to define the core and peripheral energy industries. Out of a large list of energy-related industries, those most obviously energy-related, such as coal mining, are considered core energy industries. The peripheral

Selected Energy Industries and their Employment Levels



industries are those that emerged around the core industries, such as coal-support activities.

Unfortunately, not all energy-related industrial activities are easily identified. Consider Pat, the dispatcher. Pat works in an office building downtown. Pat could not tell you the first thing about how natural gas is extracted, yet, Pat works in energy. You see, Pat coordinates the trucks delivering supplies to the field offices. Why is Pat working in an energy industry rather than, say, service, or public administration? Well, because



Pat works for a peripheral energy industry known as “support activities for oil and gas.”

In the end, the task facing economists is seemingly never-ending as the number of energy-related industries continues to change. It will never be a simple matter to define energy industries on the periphery, leaving plenty for economists to debate well into the future. ⓘ

